

## Message Text

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53

ORIGIN EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 FTC-01 L-03 SP-02 USIA-15

AID-05 NSC-05 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01

CEA-01 H-02 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

XMB-04 OPIC-06 LAB-04 SIL-01 JUSE-00 /108 R

DRAFTED BY EB/IFD/BP:TASCHLENKER:BT

APPROVED BY EB/IFD/BP:HARVEY J. WINTER

FTC:JTFISCHBACH

EUR/CE:KKURZE

EUR/NE:PCANNEY

EUR/WE:CBEIGEL

EUR/WE:NACHILLES

EA/JA:SECTON

EUR/CAN:DKRUZE

L/EB:SBENSON

----- 019929

R 051640Z AUG 76

FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

UNCLAS STATE 194149

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: FTC INVESTIGATION OF AUTOMOTIVE INDUSTRY

1. FEDERAL TRADE COMMISSION (FTC) ANNOUNCED AUGUST 3 THAT

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IT IS COMMENCING AN INVESTIGATION OF ECONOMIC STRUCTURE OF

THE AMERICAN AUTOMOBILE INDUSTRY, OF THE ECONOMIC PERFORMANCE OF FIRMS, BOTH DOMESTIC AND FOREIGN, ENGAGED IN THE MANUFACTURE AND DISTRIBUTION OF AUTOMOBILES, AND OF THE ACTS, PRACTICES, AND METHODS OF COMPETITION OF THOSE FIRMS. AMONG THE MATTERS TO BE INVESTIGATED ARE PRICING POLICIES, SCALE ECONOMIES, VERTICAL INTEGRATION, AND AUTOMOBILE DISTRIBUTION PRACTICES.

2. ON THE BASIS OF THE INFORMATION OBTAINED IN THIS INVESTIGATION, THE FTC WILL DETERMINE WHETHER THERE IS REASON TO BELIEVE THAT THE FEDERAL TRADE COMMISSION ACT OR OTHER STATUTES ENFORCED BY THE COMMISSION WERE OR ARE BEING VIOLATED.

3. PURSUANT TO THE COMMISSION'S ESTABLISHED POLICY OF ANNOUNCING THE EXISTENCE OF ALL OF ITS INDUSTRYWIDE INVESTIGATIONS, A PRESS RELEASE WAS MADE AUGUST 3. SIMILARLY, IN KEEPING WITH ITS POLICIES, CONDUCT OF THE INVESTIGATION WILL BE NONPUBLIC. FINALLY, THE FTC EMPHA-

SIZES THAT THE EXISTENCE OF AN INVESTIGATION DOES NOT IMPLY THAT VIOLATIONS OF LAW HAVE OCCURRED.

4. THE INVESTIGATION IS OF A GENERAL NATURE AND MAY INVOLVE INFORMATION REQUESTS DIRECTED TO FOREIGN AUTOMOBILE MANUFACTURERS MARKETING IN THE US. AS EMPHASIZED IN PRESS RELEASE SUCH REQUESTS DO NOT RPT NOT IMPLY THAT ANY VIOLATIONS OF US LAW HAVE OCCURRED. ADDRESSEES MAY, AT THEIR DISCRETION, INFORM HOST GOVERNMENTS OF FTC ACTION. PLEASE REPORT ANY REACTIONS. HABIB

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTIGATIONS, BUSINESS FIRMS, AUTOMOBILES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE194149  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** TASCHLENKER:BT  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760302-0509  
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**Handling Restrictions:** n/a  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 JUL 2004  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FTC INVESTIGATION OF AUTOMOTIVE INDUSTRY  
**TAGS:** ETRD, US, FTC  
**To:** BONN LONDON OTTAWA MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006